Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

REPLY COMMENTS OF WINDSTREAM COMMUNICATIONS, INC. ON SECTIONS XVII.L-R

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REPLY COMMENTS OF WINDSTREAM COMMUNICATIONS, INC.
ON SECTIONS XVII.L-R

Windstream Communications, Inc., on behalf of itself and its affiliates (collectively "Windstream"), submits the following reply comments regarding the Federal Communications Commission ("Commission") request for input on proposals to reform and modernize the intercarrier compensation system, as set forth in Sections XVII.L-R of the Commission's recent Report and Order and Further Notice of Proposed Rulemaking ("*Comprehensive Reform Order*" or "*FNPRM*").[1]

[1] *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, CC Docket

I. INTRODUCTION AND SUMMARY

In its initial comments supporting rational reform of the intercarrier compensation system, Windstream urged the Commission to continue to recognize the need for measured transitions and opportunities for recovery of revenue diminished by reforms, and to provide carriers and consumers ample time to adjust to the reforms enunciated in the *Comprehensive Reform Order*. Windstream also emphasized the importance of ensuring that future policies foster the principal goal of the Telecommunications Act of 1996—the promotion of effective competition. Other comments submitted in this proceeding, from various corners of the telecommunications sector, evince broad-based support for these principles of reform.

In particular, the vast majority of commenters urge that the Commission should refrain from establishing a framework or timeline for reducing any originating access charges. Commenters echo Windstream's concern that adjusting to the revised business model resulting from the reduction and elimination of terminating switched access charges—a transition that just now is beginning—will take time for both carriers and customers, and unintended consequences and necessary corrections cannot be known until this process more fully runs its course. Commenters also note that a reasonable opportunity for carriers to recover lost revenues, which would necessarily arise from any ordered reductions in originating access rates, would be incompatible with the Commission's goals to control the size of the Universal Service Fund and limit end-user rate increases. The few commenters favoring immediate reductions in originating access rates ignore the distinct role and characteristics of originating access and fail to acknowledge the unreasonable financial repercussions that reductions in originating access

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Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking (rel. November 18, 2011) (*FNPRM*).

would create. Finally, multiple commenters offer support for Windstream's view that the Commission should establish the same framework for reform of 8YY traffic as for originating access generally, and should provide a meaningful opportunity to recover revenues lost from any reductions in 8YY originating access rates through an access recovery mechanism.

Commenters also overwhelmingly favor the preservation of opportunities for incumbent LECs to recover reduced intercarrier compensation revenues. The vast majority of commenters agree that the Commission should not adopt a defined sunset date for the new Access Recovery Charge ("ARC"), should not accelerate the phase-out of access-replacement Connect America Fund ("CAF") support, and should not reduce or eliminate Subscriber Line Charges ("SLCs"). Many note that these opportunities are consistent with—and essential components of—the Commission's overall approach to intercarrier compensation reform, which involves a shift from a system based on access charges that provide implicit support to carriers serving high-cost areas, to a system that permits carriers greater flexibility to recover costs from their end users and offers explicit subsidies where necessary to maintain reasonably comparable rates and service. The few parties advocating for the elimination of these revenue sources base their opinions on unproven beliefs that incumbent local exchange carriers ("LECs") are currently overcompensated by the high-cost program and intercarrier compensation system, as well as on unsubstantiated assumptions that broadband networks will generate new revenues for incumbent LECs that will offset reductions in intercarrier compensation.

Comments from a wide array of parties underscore that the Commission should clarify that transit is subject to Section 251 of the 1996 Act, and mandate that transit service should be available at reasonable rates. With the predictable exception of the Regional Bell Operating Companies ("RBOCs") and large backbone providers, commenters uniformly agree that competitive transit services are not widely available and, even when available, offer a carrier interconnection only with a limited number of other carriers with whom the transit providers have agreements. Commenters also echo Windstream's observation that transit providers often assess above-cost rates, and agree that the Commission should ensure that transit service is provided at cost-based rates.

With respect to IP-to-IP interconnection, Windstream generally prefers business-to-business interconnection agreements over regulatory intervention. Nevertheless, as numerous commenters note, the inequality of bargaining power that underlay the interconnection framework established for the world of time-division multiplexing ("TDM") is equally problematic in the IP-to-IP interconnection context, and this inequality renders unworkable a regime that does not include a regulatory backstop to ensure that all carriers have a right to interconnect for the exchange of IP voice traffic at just and reasonable rates, terms and conditions. A wholly unregulated system would result in diminishing competition, contrary to the goals of the 1996 Act and to the detriment of American consumers and businesses.

Finally, Windstream emphasizes that the Commission should maintain the current point of interconnection ("POI") rules until the TDM network has been retired, rather than attempt to provide new or revised rules during or automatically at the end of the transition to bill-and-keep. If, however, the Commission deems it necessary to establish revised POI rules prior to the end of the TDM network, Windstream urges the Commission to specify that an incumbent LEC must provide one point of interconnection *per interconnected network*, and not adopt a one-POI-per-LATA requirement. A one-POI-per-LATA framework would be unworkable for non-RBOCs, such as Windstream, whose networks are dispersed and usually not interconnected throughout an entire LATA.

II. COMMENTS UNDERSCORE THAT THE COMMISSION SHOULD DELAY ANY TRANSITION FOR ORIGINATING ACCESS CHARGES.

The vast majority of commenters, from many corners of the industry, urge that the Commission should refrain from establishing a framework or timeline for reducing any originating access charges. Numerous commenters echo Windstream's concern that adjusting to the revised business model resulting from the reduction and elimination of terminating switched access charges—a transition that just now is beginning—will take time for both carriers and customers, and unintended consequences and necessary corrections cannot be known until this process more fully runs its course.[2] For example, the National Exchange Carrier Association et

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[2] Comments of Windstream Communications, Inc. on Sections XVII.L-R, WC Docket No. 10-90 et al., at 3 (February 24, 2012) (Windstream Comments). *See also, e.g.,* Comments of Alaska Communications System Group, Inc., WC Docket No. 10-90 et al., at 4 (February 24, 2012) (ACS Comments) (noting that "LECs need time to adjust their operations and manage the transitions to bill-and-keep, the ARC and the CAF. Ordering further LEC revenue reductions for originating access at this stage is premature at best."); Comments of CenturyLink, WC Docket No. 10-90 et al., at 6 (February 24, 2012) (CenturyLink Comments) (explaining that "[t]he ICC reform framework imposed by the USF/ICC Transformation Order has already set in motion a series of events and milestones which will require considerable administrative effort by carriers and regulatory agencies to implement given the massive change envisioned" and "[t]he Commission should wait until that work is complete before imposing another round of reforms"); Comments of Cbeyond, EarthLink, Integra Telecom, and tw telecom, WC Docket No. 10-90 et al., at 8 (February 24, 2012) (Cbeyond et al. Comments) (asserting that "[c]ompetitive LECs should be able to retain their originating access revenues as they adjust to the reductions in their terminating access revenues as a result of the *Order*"); Comments of Frontier Communications Corporation, WC Docket No. 10-90 et al., at 3 (February 24, 2012) (Frontier Comments) (stating that "the Commission cannot properly evaluate the impacts of the *Report and Order*'s reforms on carrier revenues, consumer benefits, and the transition to IP networks; this evaluation is a necessary precursor to any future ICC reforms"); Comments of the Independent Telephone & Telecommunications Alliance, WC Docket No. 10-90 et al., at 2 (February 24, 2012) (ITTA Comments) (asserting that "the Commission should defer originating access reform for a sufficient period of time to take into account the lessons learned from its implementation of terminating access reform"); Comments of Moss Adams LLP et al., WC Docket No. 10-90 et al., at 5 (February 24, 2012) (Moss Adams Comments) (opining that "the FCC should maintain the existing cost recovery mechanism for originating switched access for a reasonable period of time while analyzing the impacts of the transition of terminating switched access to bill and keep"); Comments of the Regulatory Commission of Alaska, WC Docket No. 10-90 et al., at 19 (February 24, 2012) (Alaska Regulatory Commission Comments) (stating that

al. explain, "[w]ith changes to terminating and originating access bifurcated in the *Order*, the Commission should now defer any reductions to originating access rates until the impacts of the changes already adopted in the [*Comprehensive Reform*] *Order*—that is, terminating end office switched access reforms, the adequacy of the Recovery Mechanism, and all other changes to high-cost support—can be evaluated."[3] Commenters noted that addressing any originating access reform at this time likely would "negatively impact[] the industry's ability to attract private investment capital for broadband network investment and operation."[4] Commenters also point out that a reasonable opportunity for carriers to recover lost revenues, which would necessarily arise from any ordered reductions in originating access rates, would be incompatible with the Commission's goals to control the size of the Universal Service Fund and limit end-user rate increases.[5] As HyperCube Telecom notes, "[f]or the Commission to mandate elimination of

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the "transition should be delayed at least until the impacts of reductions to terminating access charges are fully known").

[3] Comments of the National Exchange Carrier Association, Inc., National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, and the Western Telecommunications Alliance, WC Docket No. 10-90 et al., at 11-12 (February 24, 2011) (NECA et al. Comments).

[4] *See* CenturyLink Comments at 6. *See also, e.g.,* Comments of U.S. TelePacific Corp. and Mpower Communications Corp., WC Docket No. 10-90 et al., at 4 (February 24, 2012) (TelePacific Comments) (asserting that delaying the transition for originating access until after the transition for terminating access is complete "will aid the Commission in avoiding the risks of creating an even greater revenue shortfall for small and mid-sized carriers (including CLECs that provide broadband to many small and medium businesses), flash cuts that would disrupt their settled business plans, and either raise the cost of capital or obstruct entirely their access to capital markets that is so critical for the continued deployment of broadband"); Intercarrier Compensation Comments of the Alaska Rural Coalition, WC Docket No. 10-90 et al., at 7 (February 24, 2012) (Alaska Rural Coalition Comments) (noting that reductions in originating access rates would "further hamper[] recovery of network maintenance and investment").

[5] *See, e.g.,* ITTA Comments at 2 (asserting that "it is not feasible to consider reductions in originating access rates at this time if the overall reform plan must operate within (and not exceed) the current $4.5 billion budget for the Connect American Fund"); CenturyLink Comments at 6 (noting that "[i]t would be disruptive to further burden consumers by asking them to pay for additional retail rate increases needed to support reductions in originating access

originating access charges now would result in additional calls for alternative recovery mechanisms, placing pressure on the CAF, or requiring additional increases in end-user charges beyond those contemplated by the [*Comprehensive Reform*] *Order*."[6]

Most of the few commenters who support immediate action to reduce all originating access rates appear to be compelled by a philosophical preference for "uniformity"[7] and "symmetry"[8] and/or a conviction that the only way to "encourage and enable the transition to an IP-to-IP interconnection market"[9] is to indiscriminately eliminate all aspects of the current system. These arguments ignore the distinct role and characteristics of originating access—qualities that have led many commenters to argue that bill-and-keep would never be an appropriate regime for these types of charges. For example, CenturyLink explains that in the typical toll call flow, the interexchange carrier ("IXC"), not the originating LEC, has a customer relationship with the end user for the relevant service, and the originating LEC is providing a

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revenue while they are simultaneously experiencing the most significant impacts already caused by the USF/ICC Transformation Order"); Moss Adams Comments at 10 (asserting that "it would be difficult to fit this additional support under the cap"); TelePacific Comments at 2 (recognizing that "[a]ny requirement to move originating access rates to bill-and-keep over the short term would add to the burden end users must shoulder as carriers implement the FCC-ordered transition from positive terminating compensation rates to bill-and-keep").

6 Comments of HyperCube Telecom, LLC on Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., at 15 (February 24, 2012) (HyperCube Comments).

7 *See* Comments of Bandwidth.com on Sections XVII. L-R, WC Docket No. 10-90 et al., at 12 (February 24, 2012) (Bandwidth.com Comments) (asserting need for "uniform implementation of broad access charge reforms"); Comments of Time Warner Cable, Inc., WC Docket No. 10-90 et al., at 18 (February 24, 2012) (Time Warner Cable Comments) (opining that transition is "necessary to promote uniformity and competitive neutrality").

8 *See* Comments of Time Warner Cable at 18 (arguing that the Commission "should establish symmetrical treatment of originating and terminating access as applied to TDM traffic"); Comments of Google Inc., WC Docket No. 10-90 et al., at 3 (February 24, 2012) (Google Comments) (stating that there are "no valid reasons to adopt an asymmetrical approach").

9 Bandwidth.com Comments at 12. *See also* Comments of Voice on the Net Coalition at 3; Google Comments at 3.

service to the IXC. Thus, it is rational for the IXC, not the end user, to compensate the originating LEC for that service.[10]

The comments in favor of immediate reductions in originating access also fail to acknowledge the unreasonable financial repercussions this policy step would create. Under current Commission rules, incumbent LECs are required to provide equal access to any IXC, and originating access payments from the IXC to the incumbent LEC provide legitimate compensation for the IXC's use of the incumbent LEC's network to access the incumbent LEC's subscriber. If equal access requirements remain in place while originating access is eliminated, incumbent LECs essentially would be forced to make their networks available to competitors free of charge.[11] As the Nebraska Rural Independent Companies aptly note with respect to originating access:

> In competitive markets, when one entity uses the property of another entity in connection with production of a good or service, a payment is made to compensate the entity whose property is used. Where the network of an [incumbent LEC] is being used by another carrier, that carrier should pay for that use. In the case of the telecommunications market, access charges are the appropriate means to provide payment for the use of the network. These common sense notions should be reflected in any determination by the Commission.[12]

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10 *See* CenturyLink Comments at 7-8. *See also* Moss Adams Comments at 5 (noting that "[t]he Moss Adams Companies are not convinced that bill and keep is the appropriate intercarrier compensation regime for originating . . . access, as it does not provide any direct cost recovery from the retail toll providers that benefit from the access to their end user customers").

11 *See* FNPRM Comments of GVNW Consulting, Inc. on ICC Issues, WC Docket No. 10-90 et al., at 8-9 (February 24, 2012) (GVNW Comments) (noting that with the equal access obligation and obligation to perform call origination functions for 8YY service, "it is reasonable to continue to reflect originating compensation for such calls" and "[t]o do otherwise would deprive a carrier the ability to recover an appropriate portion of applicable network costs").

12 Comments of the Nebraska Rural Independent Companies in Response to Sections XVII. L Through R of the Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., at 8 (February 24, 2012) (Nebraska Rural Independents Comments).

Effectively, IXCs with minimal or no end user facilities would hit the jackpot, because they would no longer be required to contribute to the last-mile facilities on which they rely.[13] Large incumbent LECs with affiliated, national facilities-based IXCs would gain or, at worst, essentially break even, with reductions in originating access revenues offset by reductions in originating access payments. And incumbent LECs and competitive LECs like Windstream, which do not have affiliated, national facilities-based IXCs and which provide equal access to non-affiliated IXCs, would experience an immediate and massive reduction in revenues.[14] As Windstream noted in its initial comments,[15] recovery from the CAF under these circumstances would be imperative, but it nonetheless would be insufficient if made available only to ILECs.

Verizon's argument that immediate action on originating access charges is needed to "cut off new arbitrage schemes" is similarly unavailing.[16] Various other parties note that originating

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[13] *See* Comments of the National Association of State Utility Consumer Advocates, Maine Office of the Public Advocate, the New Jersey Division of Rate Counsel, and the Utility Reform Network on Sections XVII L-R of the Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., at 5 (February 23, 2012) (noting that IXCs that have no end user facilities "get a terrific deal").

[14] *See* HyperCube Comments at 15 (explaining that "[t]o eliminate originating access charges during the transition . . . would disadvantage carriers that are not vertically integrated, causing them to lose revenues they now receive that are related to their role in traffic carriage").

[15] *See* Windstream Comments at 4-5. *See also* Comments of T-Mobile USA, Inc., WC Docket No. 10-90 et al., at 18 (February 24, 2012) (T-Mobile Comments) (implying that CAF ICC replacement should be available for ILECs that do not provide long distance through affiliates). Windstream disagrees with AT&T's assertion that "recovery will not be needed by LECs serving the vast majority of Americans, which will benefit from the lower costs incurred by their long-distance affiliates or wholesale partners under the proposed plan." Comments of AT&T, WC Docket No. 10-90 et al., at 73-74 (February 24, 2012) (AT&T Comments). AT&T recognizes the need for recovery for "rural carriers that rely on the access-charge system as a source of implicit subsidies," but appears to exclude mid-sized carriers, such as Windstream and Frontier, that serve large numbers of customers but do not have national long-distance affiliates with significant inter-city backbone networks.

[16] Comments of Verizon, WC Docket No. 10-90 et al., at 5 (February 24, 2012) (Verizon Comments). Verizon also asserts that immediate reductions in originating access are warranted because "for VoIP-PSTN traffic, the Commission has already established that originating access

access charges need *not* be addressed as a "priority" matter in large part because there is nowhere near the same level of arbitrage in originating access as there has been in terminating access.[17] Indeed, Verizon itself, along with other members of the ABC Plan Coalition, recognized this fact just last year, in a joint filing that observed that "the majority of past and current arbitrage schemes involve terminating traffic . . . ."[18] Moreover, to the extent new arbitrage schemes are arising in originating access charges, they will likely be captured by the new access stimulation rules adopted in the *Comprehensive Reform Order*.[19]

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charges are to follow the same transition as terminating charges." This reading of the Commission's comprehensive reform Order is disputed by numerous parties, including Windstream. *See, e.g.,* Letter from Cbeyond, Inc., EarthLink, Inc., Frontier, Integra Telecom, Inc., National Cable & Telecommunications Association, National Telecommunications Cooperative Association, tw telecom, inc., and Windstream, to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 96-45 and 01-92, WC Docket Nos. 03-109, 05-337, 07-135 and 10-90, GN Docket No. 09-51, and WT Docket No. 10-208 (March 8, 2012) (stating that the Order did not mandate any reduction or transition for VoIP-PSTN originating access rates).

[17] HyperCube Comments at 14 (asserting that "[n]o impetus for avoiding arbitrage exists with respect to originating access charges, which do not affect end-user calling patterns"). *See also* CenturyLink Comments at 6-7 ("One major reason for terminating access reform, and the goal of a bill and keep rate structure, is that it can be argued that the carrier completing a call has the ability to exploit carriers purchasing terminating access service. Because of this, terminating access has generated traffic pumping and other substantial arbitrage issues. By contrast, there have been fewer problems with originating access, in significant part because the end-user customer making the calls chooses the access provider."); Comments of COMPTEL, WC Docket No. 10-90 et al., at 34-35 (February 24, 2012) (explaining that "[t]he concern with regard to terminating access rates was carriers' ability to mask the origination of voice traffic to reduce or avoid payments or assess above-cost rates for delivering traffic and thereby motivating carriers to artificially inflate traffic volumes," and "[t]hese concerns are not present with originating access since the originating carrier measures the traffic and captures the billing detail itself").

[18] *See* Joint Comments of AT&T, CenturyLink, FairPoint, Frontier, Verizon, and Windstream, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, at 22 (August 24, 2011). The ABC Plan signatories, including Verizon, did not call for reductions in originating access charges, as they noted that these additional reductions "would likely make it more difficult to keep the access replacement fund at a manageable size." *Id.* at 23.

[19] *See FNPRM* at ¶¶ 656-701 (newly defining access stimulation as having two conditions (1) a revenue sharing condition, and (2) a traffic volume condition, either (a) a three-to-one interstate terminating-to-originating traffic ratio in a calendar month; or (b) more than 100

Finally, multiple commenters offer support for Windstream's view that the Commission should establish the same framework for reform of 8YY traffic as for originating access generally. As explained in these comments, the Commission, in particular, should not establish a separate transition to bill-and-keep for 8YY originating access rates. These comments recognize that, as with non-8YY originating access, the LEC originating an 8YY call rightly receives compensation for the use of its facilities from the IXC providing the 8YY service, because it is the IXC that has a retail relationship and receives revenue from the customer subscribing to the 8YY service. The originating LEC has no business relationship with the customer; it is providing the IXC access to its network as a wholesale input, and originating access functions as compensation for that input.[20] Therefore, it is appropriate that access charges for 8YY traffic be included in any transition for originating access, rather than terminating access.

Multiple commenters also underscore the need for a meaningful opportunity to recover revenues lost from any reductions in 8YY originating access rates through an access recovery mechanism. This opportunity is necessary because, as observed above, the architecture of 8YY service does not lend itself to a bill-and-keep framework.[21] The calling party, with whom the

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percent growth in interstate originating and/or terminating switched access MOU in a month compared to the same month in the preceding year). The 100-percent, year-over-year growth trigger would almost certainly capture any new arbitrage in originating access.

[20] *See* Nebraska Rural Independents Comments at 10 (explaining that intercarrier compensation or some form of recovery is necessary for 8YY traffic); CenturyLink Comments at 8 (arguing that the Commission should not distinguish reform for 8YY traffic from reform for originating access generally); Comments of Comcast Corporation, WC Docket No. 10-90 et al., at 6 (February 24, 2012) (Comcast Comments) (explaining that bill-and-keep might not be an appropriate or legally sound framework for originating access).

[21] *See* Nebraska Rural Independents Comments at 11-12 (explaining that the originating local service provider would not receive compensation for the origination and transport of 8YY calls under a bill-and-keep regime); AT&T Comments at 73 (noting that "the Commission may need to develop an adequate recovery mechanism for lost originating access revenues" in the context of 8YY traffic).

originating LEC has a retail relationship, does not bear a financial obligation for an 8YY call, so it is nonsensical to expect the LEC to recover its costs from the calling party in the context of 8YY traffic.[22] In addition, as Comcast notes in cautioning that a decision to move to bill-and-keep for 8YY originating access "likely will raise novel legal and policy questions," voice traffic exchanged between carriers on a bill-and-keep basis is roughly balanced, while originating 8YY traffic flows only in one direction.[23] The beneficiaries of reductions in 8YY originating access charges thus would be the two or three large IXCs that have national long-haul backbone networks and thus dominate the retail market for 8YY services. Absent an opportunity for recovery, all originating LECs other than those affiliated with these few IXCs would have no way to obtain compensation for the use of their networks in 8YY traffic.

III. COMMENTERS OVERWHELMINGLY AGREE THAT THE COMMISSION SHOULD PRESERVE OPPORTUNITIES FOR INCUMBENT LECS TO RECOVER REDUCED INTERCARRIER COMPENSATION REVENUES.

The vast majority of commenters agree that the Commission should not adopt a defined sunset date for the new ARC, should not accelerate the phase-out of access-replacement CAF support, and should not reduce or eliminate SLCs. The few parties who disagree largely base their opinions on unproven beliefs that incumbent LECs are currently overcompensated by the high-cost program and intercarrier compensation system, as well as on unsubstantiated assumptions that broadband networks will generate new revenues for incumbent LECs that will offset reductions in intercarrier compensation.

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22 *See* NECA et al. Comments at 13-14 (explaining why access charges should continue to apply to 8YY traffic, even in a bill-and-keep environment).

23 Comcast Comments at 6.

A. Commenters Agree that the Commission Should Not Adopt a Defined Sunset Date for the ARC.

Commenters overwhelmingly agree that the Commission should not adopt a defined sunset date for the ARC. For example, AT&T notes that the ARC is designed to compensate for reductions in access charges that "recover substantial network costs today" and that the Commission "cannot reduce those charges without providing alternative means of recovery if it hopes to maintain the quality and geographic scope of existing services."[24] In addition, several carriers emphasize that it would be incongruous for the Commission to move toward a regime that is based on carriers looking to their own end users for recovery, while simultaneously taking steps to eliminate one of the only opportunities by which price-regulated carriers might be able to recover lost revenues from their own customers.[25]

The Ad Hoc Telecommunications Users Committee, one of the few commenters that

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[24] AT&T Comments at 78. *See also* NECA et al. Comments at 36 (stating that "[a]doption of a phase-out or an accelerated reduction of the ARC . . . would only exacerbate the difficulty most [rate-of-return] carriers will face going forward in making critical network upgrades to achieve the universal service mandates of the Act and the Commission's public interest obligations"); Moss Adams Comments at 12 (noting that "the ARC is one component of a unified cost recovery structure, which ensures that rate-of-return carriers will recover their legitimately incurred expenses").

[25] *See* CenturyLink Comments at 29 (asserting that "[t]o impose a new ICC regime based on a foundational finding that carriers can and should look to their own end users for cost recovery, while simultaneously eliminating the only mechanism by which carriers might do that, would represent a classic case of arbitrary and capricious agency action"); Frontier Comments at 8-9 (noting that "the ARC is the logical counterbalance to effectively remove the burden on subsidies through the use of end-user charges" and "[b]y adopting a sunset date for ARC charges the Commission would be denying carriers the opportunity to recover its [sic] lost revenues even through the type of explicit charges it has determined are appropriate for a bill and keep model devoid of subsidies"); Comments of the United States Telecom Association, WC Docket No. 10-90 et al., at 6 (February 24, 2012) (USTelecom Comments) (stating that the "ARC is consistent with the new framework which moves away from cross-subsidies and toward carrier recovery from cost-causing end-users").

favors a set phase-out of the ARC,[26] bases its position on the unsubstantiated claim that the revenue replacement mechanisms are "generous by any measure" and the belief that revenue recovery is not needed because of the "additional revenues" for carriers that will derive "from new services and applications available over broadband facilities.[27] However, as numerous parties note, there is "no evidence that broadband services will generate sufficient revenue to offset substantial losses imposed by current reform measures."[28] Until the Commission implements its access charge reductions and the CAF and is able to observe the long-term effects of reform on broadband deployment, the Commission cannot begin to assess when, if ever, the ARC will no longer be a necessary component of cost recovery. Moreover, even if a carrier's new broadband revenues exceed its intercarrier compensation losses, requiring the incumbent LEC to use those broadband revenues to replace intercarrier compensation—that is, effectively requiring a carrier to use its broadband revenues to subsidize voice service in its high-cost areas—would be bad public policy. Such a requirement would limit incumbent LECs' ability to

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[26] NCTA also asserts that the ARC "should be eliminated as soon as possible" but does not provide any persuasive reasoning in support of its position. Comments of the National Cable & Telecommunications Association, WC Docket No. 10-90 et al., at 9 (February 24, 2012) (NCTA Comments). The only other commenter of which Windstream is aware that favors a set phase-down of the ARC, the Massachusetts Department of Telecommunications and Cable, reasons that "adding a sunset date would introduce a modicum of fairness to competitive carriers whom the Commission does not permit to assess ARCs." Comments of the Massachusetts Department of Telecommunications and Cable, WC Docket No. 10-90 et al., at 11 (February 24, 2012). Yet it is unclear how a sunset date would create "fairness" given that competitive carriers are free to raise their end-user rates at will, while incumbent carriers require regulatory relief to do so.

[27] Comments of the Ad Hoc Telecommunications Users Committee, WC Docket No. 10-90 et al., at 14 (February 24, 2012).

[28] Alaska Rural Coalition Comments at 12 (arguing that the ARC "should not be scheduled to sunset until more is known about how ILECs have implemented it and its role in the deployment of broadband"). *See also, e.g.*, Nebraska Rural Independent Companies Comments at 13 (contending that the ARC and access-recovery CAF funding are "should remain in place unless and until other revenue sources materialize and are explicitly and fairly measured by the future Universal Service Fund"); ACS Comments at 7 (asserting that it is premature to address the phase-out of the ARC).

engage in new broadband investments, and place these carriers at a competitive disadvantage relative to their price-deregulated peers.

B. Commenters Agree That Access-Replacement CAF Support For Price Cap Carriers Should Not Terminate if the Carrier Receives State-Wide CAF Phase II Support.

Likewise, commenters largely agree that there is no need to accelerate the phase-out of access-replacement CAF support for carriers that receive state-wide CAF Phase II funding. The main proponent of an accelerated phase-out, NCTA, asserts that running the two funding mechanisms concurrently "would over-compensate the price cap LEC and would constitute waste of universal service funds."[29] However, NCTA overlooks the fact, stated by Windstream in its initial comments and echoed by other commenters, that the two funding sources serve two distinct purposes.[30] As CenturyLink explains, "[t]he ICC recovery mechanism replaces a small part of a carrier's lost ICC revenue that is/was intended to compensate ILECs for the costs of operating telecommunications networks and the costs of bearing unique policy burdens, such as [carrier of last resort] obligations. CAF Phase II funding and broadband services revenue enable carriers to recover the costs of build-out of new broadband networks."[31] As Frontier notes, access-replacement CAF support and CAF Phase II funding "both are necessary to achieve the Commission's broadband goals,"[32] and an accelerated phase-out of access-replacement CAF

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29 NCTA Comments at 9. Comcast asserts that access-replacement CAF support should be phased out after the five-year statewide funding period, based on its unsubstantiated assumption that the broadband network "is likely to generate revenues that may more than offset ICC revenue reductions." Comcast Comments at 13.

30 *See* Windstream Comments at 6.

31 CenturyLink Comments at 30.

32 Frontier Comments at 9. *See also* AT&T Comments at 78 (stating that "[t]he Commission cannot reduce [intercarrier compensation] charges without providing alternative means of recovery if it hopes to maintain the quality and geographic scope of existing services"); GVNW Comments at 15 (opining that the Commission "[p]roposing to phase out funds prior to

would undermine those goals by forcing carriers to choose between investing new broadband deployment and maintaining existing voice and broadband networks.[33]

C. Commenters Agree that the Commission Should Not Reduce or Eliminate SLCs as Long as the Price of Voice Service Remains Regulated.

Finally, commenters overwhelmingly agree that the Commission should not eliminate or place a lower cap on SLCs until rates are completely deregulated. Various parties note that SLCs provide for recovery of network costs, and their reduction or elimination would undermine carriers' ability to continue to provide voice services, particularly in rural, high-cost areas, and to invest in new broadband networks.[34] At least one commenter suggests that it would be "unfair for the Commission to impose cost-recovery limitations on ILECs while similarly maintaining that the ILECs are subject to carrier of last resort obligations . . . ."[35] Moreover, numerous commenters—including those who are not incumbent LECs and thus not eligible for SLCs—point out that the elimination or reduction of SLCs would be wholly inconsistent with the

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implementation belies a bias that is disruptive to the goal of providing universal service in high-cost to serve territory").

[33] The Nebraska Rural Independent Companies assert that a phase-out of access-replacement CAF support would be less problematic for price cap carriers because they can "more easily" compensate for decreases in support through other revenue sources, primarily special access. Nebraska Rural Independent Companies Comments at 17. It would make little sense from a legal or policy standpoint to introduce an implicit subsidy into the reformed intercarrier compensation regime—particularly an implicit subsidy that is based on revenues from a price-regulated service offered in a competitive market.

[34] *See, e.g.*, Alaska Rural Coalition Comments at 14 (noting the SLC is an "important, stable funding source" and is "appropriate for the services provided"); AT&T Comments at 76-77 (explaining that "carriers use subscriber line charges to recover real network costs, and thus those charges will continue to be needed" as long as incumbent LECs are price-regulated); Frontier Comments at 10 (stating that "SLCs remain a necessary component to support the voice network"); Alaska Regulatory Commission Comments at 21 (predicting that "[t]he costs to provide and maintain the traditional telephone networks will not disappear"); USTelecom Comments at 6 (asserting that "SLC levels are appropriate and should be maintained as they too cover loop costs").

[35] Frontier Comments at 10.

Commission's overall approach to intercarrier compensation reform, which involves a shift from a system based on access charges that provide implicit support to carriers serving high-cost areas, to a system largely based on carrier recovery of costs from end users, with availability of explicit subsidies where necessary.[36]

Windstream is not aware of any commenters that advocate for the prompt elimination of SLCs, though a few recommended reductions, asserting that the costs for which SLCs are designed to provide recovery—the jurisdictionally interstate portion of the non-traffic sensitive costs of local loops—have diminished in recent years.[37] However, as AT&T correctly notes, as line counts have diminished over the past decade, the per-line costs of providing telephone service have grown. In addition, in recent years, carriers have had to invest more in shortening loops in order to deploy broadband and increase broadband speeds. Accordingly, there is "no justification for reducing the subscriber line charges upon which carriers depend today to recover these costs."[38]

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[36] *See, e.g.*, T-Mobile Comments at 18-19 (opining that "given the ICC reform goal of carrier recovery of all costs from the carrier's own customers, there is no need to eliminate or restrict subscriber line charges . . . at this time"); CenturyLink Comments at 32 (stating that "it would be arbitrary and capricious to follow-up a ruling that carriers must now look to their end users to recover the costs of operating their networks with a ruling even further constraining carriers' ability to do so"); Frontier Comments at 10 (noting that SLCs "are perfectly aligned with" the goal of moving toward explicit charges and "thus it would be illogical to remove" them).

[37] *See* Ad Hoc Comments at 20 (stating that "current rate levels for SLCs almost certainly exceed any level that would result from an interstate allocation of properly developed current loop costs"); Comments of Free Conferencing Corporation on Further Notice of Proposed Rulemaking—Section XVII. L-R, WC Docket No. 10-90 et al., at 7 (February 24, 2012) (Free Conferencing Comments) (asserting that SLCs should be reduced and recommending that the Commission undertake market analysis and set a nationwide average).

[38] AT&T Comments at 77-78.

IV. COMMENTS REINFORCE THAT THE COMMISSION SHOULD CLARIFY THAT TRANSIT SERVICE IS SUBJECT TO SECTION 251 AND MUST BE MADE AVAILABLE AT COST-BASED RATES.

Comments from a wide array of parties underscore that the Commission should clarify that transit is subject to Section 251 of the 1996 Act, and mandate that transit service should be available at reasonable rates. With the predictable exception of the RBOCs and large backbone providers that control the transit market, commenters uniformly agree that competitive transit services are not widely available and, even when available, offer a carrier interconnection only with a limited number of other carriers with whom the transit providers have agreements.[39] Commenters also echo Windstream's observation that transit providers often assess above-cost rates. For example, Sprint demonstrates that in its experience, incumbent LEC transit providers charge much higher rates in states that have not addressed the incumbent LEC's statutory obligation than in states that have clarified such an obligation.[40]

In addition, the comments demonstrate that Windstream's recommendation that transit service should be made available at rates no higher than $0.0007 per minute of use is reasonable, if not overly generous, to the transit providers. Some commenters suggest that the Commission

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[39] *See, e.g.*, NCTA Comments at 3-4 (noting that "[e]ven in areas where a provider other than the incumbent LEC may offer transit services, . . . competitive LECs must retain transit services from the incumbent LEC to reach all third party voice service carriers"); Time Warner Cable Comments at 20 (stating that competitive LECs "lack[] other options"); Charter Comments at 16 (explaining that transit providers have "ubiquitous network dominance"); Comcast Comments at 7 (noting that it and other service providers "must rely on incumbent LECs to furnish these essential indirect interconnection arrangements"); Cbeyond et al. Comments at 11-12 (explaining that incumbent LECs' market power in the provision of transit service is caused by multiple factors).

[40] Comments of Sprint Nextel Corporation, WC Docket No. 10-90 et al., at 68 (February 24, 2012) (Sprint Comments). *See also, e.g.*, GVNW Comments at 12 ("[w]ithout the Commission establishing a reasonable set of parameters, rural carriers will be required to pay whatever price a transit provider chooses to extort, or perhaps not even be able to obtain the service").

mandate bill-and-keep for at least some transit traffic,[41] while many propose TELRIC- or cost-based rates.[42] Sprint, basing its analysis on the same record evidence from AT&T on which Windstream relied, proposes that a voluntary rate cap of $0.00035 per minute of use would be "generous" and "comfortably above an ILEC's economic cost of providing transit.[43]

V. COMMENTS REINFORCE THAT A REGULATORY BACKSTOP WILL BE NECESSARY FOR IP-TO-IP INTERCONNECTION.

As discussed in its initial comments, Windstream generally prefers business-to-business interconnection agreements over regulatory intervention.[44] Commercial negotiations can enable speedier, more efficient resolutions and offer parties a chance to tailor the agreement's terms and conditions to fit their specific needs and circumstances. Nevertheless, as several commenters note, the "inequality of bargaining power"[45] that underlay the interconnection framework established for the TDM world is equally problematic in the IP-to-IP interconnection context, and this inequality renders unworkable a regime that does not include a regulatory backstop to ensure that all carriers have a right to interconnect at just and reasonable rates, terms and

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41 *See* Comcast Comments at 9-10 (recommending that the Commission implement a bill-and-keep methodology for transit where the terminating provider owns the transit switch, and a forward-looking long run incremental cost (LRIC) methodology where the tandem owner is not the terminating provider); MetroPCS Comments at 8-9 (suggesting bill-and-keep where the transit provider does not have enough traffic to justify a cost study, and TELRIC-based rates otherwise).

42 *See, e.g.*, NCTA Comments at 5; Charter Comments at 21; T-Mobile Comments at 12; Cbeyond et al. Comments at 13.

43 Sprint Comments at 66-68.

44 Windstream Comments at 14-15.

45 *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, First Report and Order, Docket No. 96-98, 11 FCC Rcd 15499, ¶ 55 ("*First Local Competition Order*"), subsequent history omitted.

conditions.[46] A wholly unregulated system would result in diminishing competition, contrary to the goals of the 1996 Act and to the detriment of American consumers and businesses.

As an initial matter, though AT&T and Verizon assert that the Commission lacks authority to mandate IP-to-IP interconnection, numerous parties demonstrate that the Commission may base its authority on a variety of statutory provisions.[47] Most directly, as the Commission recognizes, the interconnection provisions of Section 251 "are technology neutral—they do not vary based on whether one or both of the interconnecting providers is using TDM, IP, or another technology in their underlying networks."[48] Because Section 251 by its terms imposes specific duties on "incumbent local exchange carriers," the Regional Bell Operating Companies ("RBOCs") attempt to distance themselves from these obligations with respect to IP-to-IP interconnection by relying on separate affiliates to own their IP network assets and provide

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[46] *See, e.g.*, Cbeyond et al. Comments at 27 (stating that "[m]arket forces alone will not result in negotiated IP-to-IP interconnection agreements because incumbent LECs have no rational incentive to interconnect with competitors"); Time Warner Cable Comments at 12-13 (noting that "[w]hile competitive LECs and interconnected VoIP providers continue to gain traction, their networks cannot come close to matching the ubiquity of ILEC networks (including those that have been upgraded to incorporate more advanced IP-based technology in the last mile) . . . . Basic interconnection regulation therefore remains necessary in the telecommunications arena, including with respect to IP voice traffic").

[47] *See, e.g.*, T-Mobile Comments at 6-7 (stating that ancillary authority provides a sufficient legal basis, although Sections 251 and 252 of the Act, as well as Section 706, also provide authority); Cbeyond et al. Comments at 21-24 (noting that Section 251(c)(2) provides a basis to impose on incumbent LECs the obligation to establish IP-to-IP interconnection); Comments of Charter Communications, Inc., WC Docket No. 10-90 et al., at 4 (February 24, 2012) (Charter Comments) (same); Sprint Comments at 7 (explaining that the Commission could not ensure it is complying with Section 706 if it adopts the position of AT&T and Verizon); Time Warner Cable Comments at 9 fn.19 (stating that "the Commission has clear authority to require IP-to-IP interconnection pursuant to Section 251," and "there is no need for it to invoke other sources of legal authority"); Comments of MetroPCS Communications, Inc., WC Docket No. 10-90 et al., at 17 (February 24, 2012) (MetroPCS Comments) (noting that Sections 201, 251(a)(1), 251(c), 256 and 332 "provide the Commission with the requisite authority").

[48] *FNPRM* at ¶ 1342.

IP-enabled voice services.[49] However, as Time Warner Cable notes in its comments, this is a smoke-and-mirrors game that will not pass legal muster:

> The D.C. Circuit expressly rejected a similar attempt to evade Section 251 obligations through separate affiliate structures, and that argument fares no better in this context. The court held that allowing an ILEC to "sideslip" Section 251(c) obligations by offering telecommunications services through an affiliate would be "a circumvention of the statutory scheme."[50] Because Congress "did not treat advanced services differently from other telecommunications services" and "did not limit the regulation of telecommunications services to those services that rely on the local loop," an ILEC may not avoid Section 251 by setting up a wholly owned affiliate to offer such services. The same is true here—Section 251 creates an obligation of ILECs to negotiate interconnection of voice networks in good faith, including IP-to-IP interconnection, and ILECs cannot evade that obligation through corporate artifices.[51]

Comments submitted by the RBOCs only reinforce the fact that without a regulatory backstop, competitive providers will face unreasonably high costs for IP-to-IP interconnection and be increasingly unable to compete against the largest carriers. AT&T asserts that carriers are not obligated by law even to negotiate in good faith for IP-to-IP interconnection,[52] but that the current marketplace for peering and transit in the public internet is effective and can serve as a model for an IP-to-IP interconnection regime of the future.[53] However, Windstream's

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[49] *See* AT&T Comments at 39-40 (stating that the term "incumbent local exchange carrier" does not include a corporate entity affiliated with a legacy incumbent LEC that offers broadband Internet and managed IP services, including VoIP). *See also* Verizon Comments at 10 (asserting that "[i]n this innovative new world of IP networks, there are no incumbents. Everyone is a new entrant . . . .").

[50] *Association of Communs. Enters. v. FCC*, 235 F.3d 662, 666 (D.C. Cir. 2001).

[51] Time Warner Cable Comments at 13.

[52] AT&T Comments at 46 (stating that "the Commission lacks authority to require good faith negotiations for" IP-to-IP interconnection). Verizon does not expressly say this, but it follows logically from its assertions that the Commission generally lacks authority to mandate IP-to-IP interconnection. *See* Verizon Comments at 26-39.

[53] *See* AT&T Comments at 14 (asserting that "the marketplace for peering and transit services . . . has functioned with extraordinary efficiency); CenturyLink Comments at 42 (opining that the "voluntary negotiation of Internet peering arrangements has worked remarkably well").

experience and observations demonstrate that the "best efforts" public Internet is unlikely to offer a sufficient platform for high-quality VoIP services, and that a wholly unregulated marketplace for interconnection on an IP managed network—which is necessary to deliver such high-quality VoIP services—does not and will not result in just and reasonable rates, terms, and conditions for all service providers.

Though the market for Internet transit functions relatively well, the "best efforts" public Internet is unlikely to be an adequate solution for high-quality VoIP services for enterprise business customers—a fact AT&T itself recognizes.[54] While over-the-top VoIP providers like Vonage and Skype have made commonplace the provision of residential voice services over the best efforts Internet, these services are not widely adopted by businesses, which generally value quality, security, and reliability that the best efforts Internet cannot provide. Windstream's own experience as a provider to enterprise customers has demonstrated that a managed IP network is preferable to ensure quality of service for VoIP customers.

AT&T is correct that quality of service-enabled traffic exchanges between some carriers have become more prevalent,[55] but this trend is *in spite of* a lack of participation by AT&T and the other largest carriers. The fact that the only examples of AT&T's own bilateral quality of service interconnection arrangements to which AT&T refers are with international carriers[56] is telling; within the United States, quality of service-enabled traffic exchanges are largely a marketplace for smaller LECs to bypass AT&T's tandems. The largest domestic providers, such

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[54] *See* AT&T Comments at 22 (noting that "enterprise business customers and some consumers likely will continue to value the greater security and reliability of managed VoIP services").

[55] *Id.* at 19.

[56] *Id.* (referencing "bilateral 'Telepresence exchange' agreements with London-based BT and Paris-based Orange").

as Level 3, Verizon, or Comcast, may be able to negotiate quality of service-enabled interconnection agreements with AT&T, but providers without sufficient market power have no ability to do so today, and there is no reason to believe this will change in the near future.

Windstream thus is compelled to negotiate commercial arrangements for the exchange of managed VoIP traffic, and the market does not function effectively because those providers with the most subscribers exercise essentially all of the bargaining power. Unlike in the relatively competitive Internet transit market, where large content providers such as Google or Facebook may contract with multiple ISPs and backbone providers for the effective delivery of their content, the "content" of IP telephony is concentrated with a few large carriers who control which other carriers or ISPs can access their subscribers, and on what terms. For example, AT&T peers on a settlement-free basis with very few—if any—Internet service providers today for the exchange of managed VoIP traffic, and regularly terminates peering relationships when traffic levels become slightly unbalanced. Providers are then required to enter transit agreements at terms dictated by AT&T. A regulatory backstop is necessary to ensure that relatively smaller providers are able to enter into the necessary interconnection agreements with larger providers for the exchange of IP voice traffic at just and reasonable rates, terms, and conditions.[57]

VI. ANY REVISED POI RULES SHOULD INCLUDE A ONE-POI-PER-INTERCONNECTED NETWORK OBLIGATION, RATHER THAN A ONE-POI-PER-LATA MANDATE.

As Windstream notes in its comments, the Commission should maintain the current point of interconnection ("POI") rules until the TDM network has been retired, rather than attempt to provide new or revised rules during or automatically at the end of the transition to bill-and-

57 *See also, e.g.*, Time Warner Cable Comments at 13 (noting that "[b]asic interconnection regulation . . . remains necessary in the telecommunications arena, including with respect to IP voice traffic").

keep.[58] If, however, the Commission deems it necessary to establish revised POI rules prior to the end of TDM, Windstream urges the Commission to specify that an incumbent LEC must provide one point of interconnection per interconnected network, and not adopt a one-POI-per-LATA requirement.

Contrary to the assertions of several commenters,[59] the current obligation to interconnect at one POI per LATA applies only to the RBOCs, and has never applied generally to all incumbent LECs.[60] Several other commenters recognize this distinction but urge the Commission to extend the obligation to all incumbent LECs. For example, T-Mobile asserts that the rule should "limit an ILEC and all of its affiliates to one POI in each LATA."[61] Sprint goes even further, suggesting that the one-POI-per-LATA obligation should be based on Section 251(a) and thus apply to all carriers, both incumbent and competitive.[62] The Commission should reject these proposals. The one-POI-per-LATA obligation has been applied exclusively to the RBOCs and is appropriate for them because they generally own the LATA tandems. Such a framework would be unworkable for non-RBOCs, such as Windstream, whose networks are dispersed and usually not interconnected throughout an entire LATA. This is especially true in the context of Windstream's legacy incumbent LEC networks and more recently acquired competitive LEC networks, which may not be interconnected.

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58 Windstream Comments at 12-13.

59 *See e.g.*, Cbeyond et al. Comments at 15-16; MetroPCS Comments at 10; Charter Comments at 10.

60 *See Application of SBC Communications Inc., Southwestern Bell Telephone Co., and Southwestern Bell Communications Service, Inc., d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to provide In-Region, InterLATA Services in Texas*, CC Docket No. 00-65, Memorandum Opinion and Order, 15 FCC Rcd 18354, 18390, ¶ 78, n.174 (2000).

61 T-Mobile Comments at 13.

62 Sprint Comments at 35.

For Windstream, an obligation to interconnect at any feasible point on an interconnected network is more reasonable. Currently, Windstream attempts to meet the interconnecting carrier's request for a specific interconnection point, or otherwise negotiates an alternative, and Windstream and the interconnecting carrier are responsible for the facility costs from their own switches to the agreed-upon POI. Windstream successfully has negotiated many such arrangements with interconnecting carriers, and this framework should provide the model for any revised POI rules prior to the end of the TDM network.

VII. CONCLUSION

As the Commission considers further reforms to the intercarrier compensation system, it should recognize the need for measured transitions and opportunities for recovery of revenue diminished by reforms, and to provide carriers and consumers ample time to adjust to the reforms enunciated in the *Comprehensive Reform Order*. Moreover, the Commission should ensure that any future policies foster the principal goal of the Telecommunications Act of 1996—the promotion of effective competition. The record in this proceeding demonstrates broad-based support for these principles of reform.

Respectfully submitted,

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